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NATIONAL TREND OF BUSINESS
Lodging Industry

A SERVICE TO THE CLIENTS OF LAVENTHOL & HORWATH

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DECEMBER 1983 COMPARED WITH DECEMBER 1984

OCCUPANCIES DOWN;
RATES CONTINUE UPWARD

Overall, 1984 was a better year for the U.S. Lodging Industry than 1983. Occupancies were up 1.2 percent for the year, room rates were up 7.1 percent and total sales were up 8.4 percent. In terms of these performance measurements, this was the best year for the industry since 1979. However, all of the occupancy gains and most of the increases in total sales occured in the first half of the year. Since then occupancies have either been flat or declined and the rate of increase in total sales has dropped off markedly. Surprisingly, rates have continued to climb at a rapid rate during this period, with some segents of the industry continuing to report double digit increases.

This current scenario is not consistent with historical patterns in the lodging industry. Typically, changes in occupancy lag behind the overall economy by about three to six months, following the pattern set by the leading economic indicators. While these indicators were pointing toward a general slowdown in the economy during the second quarter of 1984, they still were on the rise. Therefore, the weaknesses in occupancy reported were somewhat surprising and below our projections for the period. This may inicate that the current pricing policy adopted by the industry has heightened traveller sensitivity to the cost of a hotel stay. Basically in today's dynamic lodging environment, all players are able to react to industry trends much quicker than in the past.

Because of this deviation from historical patterns, projections for 1985 have become blurred. Currently, our expectations are that occupancy rates will generally remain at or near 1984 levels for most segments of the industry while rates will continue to rise, but at reduced levels.

		Projections	Actual Last Year
February	1985	64-66%	65.9%
March	1985	69-71%	69.6%
April	1985	66-68%	67.9%

SEASONALLY ADJUSTED OCCUPANCY RATES FOR THE MAJOR CLASSIFICATIONS

	This Month	Percentage Changes*
TOTAL U.S.A.	66.8%	1.9%
AFFILIATION:		
Chain	68.0	2.9
Independent	65.4	-1.2
AREA:		
Northeast	76.1	3.1
Southeast	63.8	-0.5
North Central	69.4	7.1
South Central	59.2	5.3
West	66.7	4.1
LOCATION:		
Center City	67.6	3.4
Suburban	66.4	6.1
Highway	63.4	-5.7
Airport	68.9	-1.6
Resort	62.9	-1.9
SIZE:		
Under 150 rooms	63.8	-3.0
150 to 299 rooms	65.5	2.8
300 to 600 rooms	64.4	3.0
Over 600 rooms	73.7	8.4
TYPE:		
Hotel	66.8	2.3
Motor Hotel	66.1	1.5
Economy	61.6	-12.9

* FROM PREVIOUS MONTH

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TREND REPORT DECEMBER 1984 COMPARED WITH DECEMBER 1983

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	DEC	% CHG	DEC	% CHG	DEC	% CHG	DEC	% CHG
TOTAL	8.1	9.3	6.4	6.4	49.8	-1.0	50.3	-3.8	$ 56.18	7.9	$ 94.46	6.7
REGION:												
Northeast	14.2	16.7	10.5	10.1	60.1	2.0	43.2	4.3	$ 84.41	11.7	$134.73	9.4
Southeast	1.9	2.4	0.5	3.5	50.7	-4.9	74.6	-9.1	54.12	6.2	90.46	5.6
North Central	12.1	14.5	10.1	2.9	46.5	3.1	39.4	-7.1	43.81	7.6	78.88	5.4
South Central	2.9	3.0	2.0	10.8	43.9	-3.7	41.0	5.1	47.73	4.7	79.68	4.7
West	10.4	11.2	9.8	3.1	52.9	0.8	49.1	1.9	55.21	7.5	95.98	6.7
AFFILIATION:												
Chain	8.5	9.8	6.7	6.4	50.4	-1.2	47.7	-3.6	$ 56.20	8.4	$ 93.05	7.1
Independent	6.3	6.9	5.5	6.6	46.8	0.4	62.9	-4.1	56.13	5.4	102.16	4.9
LOCATION:												
Center City	12.1	14.9	8.39	8.3	51.2	3.4	45.8	3.4	$ 72.19	9.6	$120.67	7.0
Suburban	7.1	7.0	6.7	14.0	47.6	-1.7	40.0	-7.2	47.80	6.1	83.76	6.2
Airport	10.6	12.6	7.7	8.0	54.3	-1.6	31.4	-0.3	49.88	8.5	83.72	6.5
Highway	2.7	1.7	5.1	3.4	48.4	-4.5	59.5	-4.3	38.62	5.2	57.76	6.3
Resort	1.4	1.8	1.5	-2.0	47.4	-4.2	90.8	-8.1	63.94	3.5	116.36	3.2
SIZE:												
Under 150 Rooms	6.0	6.0	6.0	5.4	48.1	-0.8	50.4	-10.8	$ 37.95	5.8	$ 55.69	5.8
150 - 299 Rooms	5.8	5.7	6.0	5.0	48.1	-2.6	45.5	1.6	47.74	6.0	81.01	6.0
300 - 600 Rooms	8.5	10.8	6.0	5.2	48.2	1.3	53.1	-1.1	60.69	6.3	110.01	4.2
Over 600 Rooms	10.8	13.0	7.5	8.9	56.5	-1.1	52.8	-6.7	81.73	11.1	135.72	8.9
TYPE:												
Hotel	8.8	11.0	6.5	5.3	50.6	0.8	48.6	-3.6	$ 66.76	7.7	$120.14	5.6
Motor Hotel	6.3	5.9	6.6	11.5	49.1	-4.1	51.9	-4.1	45.05	7.4	67.27	7.8
*Economy	6.9	7.7	-12.3	12.0	47.1	1.9	62.7	-2.3	29.90	5.4	31.84	4.6

* Economy data are based on a sample of properties from the National Trend of Business in the Economy Lodging Industry.

YEAR TO DATE TREND REPORT - AS OF DECEMBER 1984

	SALES PERCENT CHANGE				OCCUPANCY PERCENT		DOUBLE OCCUPANCY PERCENT		ROOM SALES PER OCCUPIED ROOM		TOTAL SALES PER OCCUPIED ROOM	
	TOTAL	ROOMS	F&B	OTHER	DEC	% CHG	DEC	% CHG	DEC	% CHG	DEC	% CHG
TOTAL	8.4	9.6	5.7	10.2	65.9	1.2	51.8	-2.4	$ 56.22	7.1	$ 85.57	6.0
REGION:												
Northeast	10.7	12.1	7.0	13.7	71.6	2.3	40.7	2.3	$ 80.32	9.7	$121.79	8.3
Southeast	4.7	4.7	3.6	9.1	66.8	-2.8	81.6	-4.0	54.60	6.9	84.46	6.8
North Central	10.0	12.0	6.2	10.5	64.0	4.6	40.8	-1.7	44.39	6.1	69.67	4.3
South Central	7.9	9.2	5.0	6.6	60.5	1.2	40.4	3.9	50.13	5.4	74.51	4.1
West	9.5	10.7	6.8	11.6	69.8	2.2	49.5	-3.7	56.15	7.6	84.26	6.5
AFFILIATION:												
Chain	8.5	9.7	5.4	10.8	66.5	1.2	48.3	-2.0	$ 56.13	7.3	$ 84.61	6.1
Independent	8.1	8.8	7.0	7.4	62.8	1.5	68.3	-3.5	56.68	6.2	90.64	5.6
LOCATION:												
Center City	11.3	13.1	7.5	12.1	65.1	3.3	44.0	2.8	$ 70.97	8.3	$108.56	6.6
Suburban	6.3	7.8	2.7	8.7	64.3	1.1	40.9	-3.8	47.60	5.5	72.49	4.0
Airport	8.5	10.4	4.6	8.9	70.3	2.6	31.9	-2.4	51.23	6.7	77.49	4.9
Highway	4.0	4.5	2.3	4.0	66.1	-1.0	63.9	-4.3	39.51	4.7	52.83	4.2
Resort	7.2	7.0	7.0	10.6	65.1	-1.4	91.6	-3.8	65.77	6.9	111.88	7.1
SIZE:												
Under 150 Rooms	6.9	7.8	4.1	6.8	65.9	2.3	60.8	-2.7	$ 38.58	5.2	$ 51.57	4.4
150 - 299 Rooms	7.1	8.6	3.8	7.7	65.7	1.2	45.6	-3.0	49.10	6.2	74.16	4.8
300 - 600 Rooms	7.4	8.4	4.9	12.1	64.0	0.9	51.9	-3.9	63.20	6.4	102.35	5.4
Over 600 Rooms	11.6	12.8	9.2	11.5	68.5	0.4	53.9	-0.6	79.75	9.9	122.98	8.7
TYPE:												
Hotel	9.5	10.9	6.4	11.6	66.0	2.5	47.8	-0.6	$ 67.39	7.2	$108.95	5.7
Motor Hotel	6.4	7.4	3.3	6.3	65.7	-0.6	55.7	-4.5	45.45	6.6	62.81	5.5
Economy	4.0	4.5	-3.7	-4.7	65.4	1.1	74.7	-3.0	30.65	3.7	32.98	3.0

FOOD AND BEVERAGE REPORT - DECEMBER 1984 COMPARED WITH DECEMBER 1983

	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$43.62	$41.97	$10.57	$10.07	0.33	0.34	0.21	0.21	42.9	43.6	$ 6.62	$ 6.46	0.4
REGION:													
Northeast	$51.69	$48.70	$12.97	$12.92	0.29	0.30	0.19	0.20	46.1	44.6	$ 9.01	$ 8.78	8.8
Southeast	37.14	35.61	10.40	9.80	0.34	0.34	0.23	0.23	41.0	39.4	6.30	5.53	-8.3
North Central	44.95	44.52	9.28	8.82	0.35	0.36	0.23	0.23	40.2	43.6	5.20	5.43	5.6
South Central	37.69	37.38	9.99	9.97	0.33	0.35	0.22	0.22	43.2	46.6	6.55	7.08	-2.8
West	50.25	48.00	10.52	9.53	0.34	0.34	0.20	0.21	42.9	44.0	6.25	5.82	1.4
AFFILIATION:													
Chain	$40.46	$38.86	$10.47	$ 9.94	0.32	0.33	0.21	0.21	43.1	43.5	$ 6.69	$ 6.47	-
Independent	65.51	63.66	11.01	10.67	0.34	0.35	0.23	0.23	41.7	43.9	6.33	6.42	2.0
LOCATION:													
Center City	$51.18	$50.20	$12.28	$11.85	0.30	0.32	0.20	0.20	44.5	46.4	$ 8.07	$ 8.28	2.3
Suburban	40.84	39.29	9.71	9.29	0.34	0.35	0.22	0.22	40.6	41.2	5.87	5.60	1.2
Airport	34.56	33.57	9.37	8.99	0.34	0.34	0.22	0.22	44.7	45.9	6.05	6.06	4.2
Highway	31.27	28.71	8.09	7.43	0.35	0.36	0.22	0.23	38.1	38.4	4.06	3.99	-1.9
Resort	53.31	50.92	10.95	10.24	0.35	0.35	0.22	0.23	41.7	38.5	5.99	5.13	-5.4
SIZE:													
Under 150 Rooms	$39.82	$38.68	$ 7.96	$ 7.70	0.38	0.38	0.24	0.25	38.1	40.1	$ 4.35	$ 4.49	5.8
150 - 299 Rooms	35.89	34.12	8.96	8.34	0.35	0.36	0.23	0.23	41.7	42.3	5.43	5.16	-1.9
300 - 600 Rooms	47.24	46.73	11.29	10.80	0.33	0.34	0.21	0.22	43.5	44.7	7.13	6.97	1.9
Over 600 Rooms	52.18	49.51	13.27	12.81	0.29	0.31	0.19	0.19	44.5	44.4	8.88	8.71	-0.4
TYPE:													
Hotel	$51.74	$50.59	$11.34	$10.73	0.32	0.33	0.21	0.21	43.4	44.0	$ 7.16	$ 6.93	-0.8
Motor Hotel	28.90	27.09	8.60	8.35	0.35	0.36	0.22	0.22	40.9	42.1	5.24	5.21	4.5
Economy	10.52	10.34	3.31	3.30	0.29	0.33	*	*	*	*	1.56	1.73	-14.7

* INSUFFICIENT RESPONSE
\- NO CHANGE

YEAR TO DATE FOOD AND BEVERAGE REPORT - AS OF DECEMBER 1984

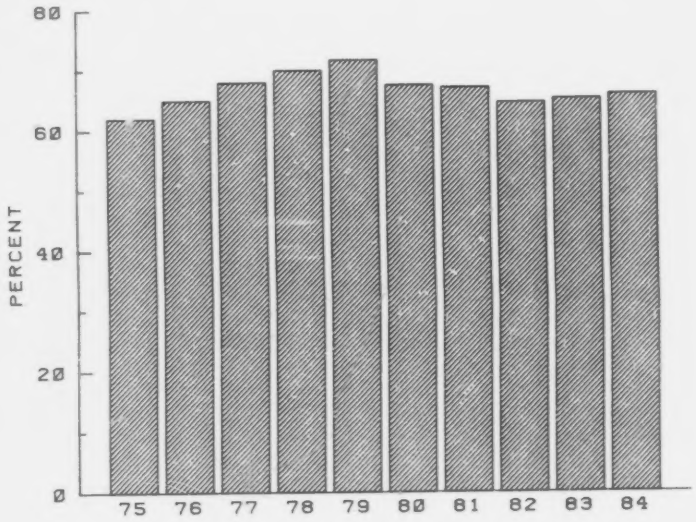
	F&B SALES PER OCCUPIED ROOM		AVERAGE RECEIPT PER COVER		FOOD COST PERCENT OF FOOD SALES		BEV COST PERCENT OF BEV SALES		F&B PAYROLL PERCENT OF F&B SALES		F&B PAYROLL PER COVER		NUMBER COVERS SERVED
	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	1984	1983	% CHG
TOTAL	$32.52	$31.46	$ 9.18	$ 8.70	0.33	0.34	0.22	0.22	45.3	44.6	$ 5.87	$ 5.54	0.6
REGION:													
Northeast	$40.30	$38.46	$11.61	$11.02	0.30	0.31	0.20	0.20	48.5	47.5	$ 8.22	$ 7.81	2.6
Southeast	29.52	27.77	8.86	8.43	0.34	0.34	0.22	0.22	43.0	41.6	5.59	5.13	-1.5
North Central	32.20	32.06	7.75	7.52	0.34	0.35	0.22	0.22	43.0	43.1	4.46	4.35	3.2
South Central	26.99	26.83	8.50	8.02	0.35	0.35	0.22	0.22	46.1	46.1	5.66	5.48	-1.5
West	36.14	34.86	9.48	8.84	0.34	0.34	0.22	0.22	45.7	44.4	5.65	5.14	0.2
AFFILIATION:													
Chain	$30.62	$29.70	$ 9.10	$ 8.64	0.33	0.33	0.21	0.21	45.6	44.9	$ 5.99	$ 5.66	0.5
Independent	44.57	42.64	9.47	8.94	0.35	0.35	0.24	0.24	43.9	43.5	5.32	5.02	0.8
LOCATION:													
Center City	$36.42	$35.50	$10.64	$10.02	0.31	0.32	0.20	0.21	48.7	48.5	$ 7.32	$ 6.99	0.8
Suburban	27.67	27.55	7.83	7.62	0.35	0.35	0.22	0.23	44.0	42.8	4.92	4.69	1.4
Airport	26.58	26.20	8.23	7.86	0.34	0.34	0.22	0.22	44.3	43.4	5.15	4.89	0.9
Highway	22.21	21.29	6.92	6.39	0.36	0.36	0.23	0.23	39.2	39.0	3.67	3.40	-3.6
Resort	46.63	43.32	9.70	9.25	0.35	0.35	0.22	0.22	40.7	38.9	5.33	4.87	1.3
SIZE:													
Under 150 Rooms	$29.21	$28.72	$ 7.02	$ 6.69	0.38	0.39	0.25	0.25	39.7	39.5	$ 3.83	$ 3.63	-0.2
150 - 299 Rooms	26.08	25.64	7.88	7.48	0.35	0.35	0.23	0.23	43.0	42.4	4.77	4.51	-0.6
300 - 600 Rooms	36.72	35.62	9.56	9.16	0.34	0.34	0.22	0.22	47.0	45.8	6.29	5.91	0.9
Over 600 Rooms	39.20	37.00	11.58	10.90	0.30	0.31	0.19	0.19	47.1	46.8	7.82	7.46	2.3
TYPE:													
Hotel	$38.56	$37.52	$ 9.90	$ 9.38	0.33	0.33	0.21	0.22	46.4	45.7	$ 6.45	$ 6.11	1.0
Motor Hotel	22.21	21.52	7.29	6.96	0.36	0.36	0.22	0.22	41.6	40.8	4.36	4.11	-0.3
Economy	6.97	6.92	3.41	3.30	0.35	0.34	0.36	0.39	31.9	32.2	1.60	1.48	-13.9

YEAR TO DATE REPORT AS OF DECEMBER 1984

	Occupancy Percent		Percent Change	Room Sales Per Occupied Room		Percent Change
	1984	1983		1984	1983	
TOTAL U.S.A.	65.9	65.1	1.2	56.22	52.50	7.1
NORTHEAST:	71.6	70.0	2.3	80.32	73.20	9.7
Boston	70.4	69.5	1.3	75.91	71.60	6.0
New York City	75.8	73.8	2.7	97.93	87.80	11.5
Pennsylvania	62.5	61.6	1.5	49.31	46.70	5.7
Philadelphia	60.3	61.4	-1.8	57.10	53.90	6.0
Pittsburgh	68.9	65.4	5.4	45.57	43.50	4.8
SOUTHEAST:	66.8	68.7	-2.8	54.60	51.10	6.9
Metro. Wash D.C.	71.7	66.3	8.1	79.92	72.90	9.7
Daytona Beach	66.4	67.4	-1.5	46.27	42.45	8.9
Greater Orlando	69.2	78.7	-12.1	47.84	44.65	7.1
Osceola County	66.7	81.1	-17.8	47.00	43.39	8.3
South Florida	61.3	59.5	3.9	64.90	63.60	2.1
Downtown Miami	57.0	52.6	8.4	54.97	56.80	-3.3
Fort Lauderdale	62.3	57.2	8.9	59.83	56.40	6.0
Tampa Bay	63.7	61.2	4.1	46.39	44.27	4.8
NORTH CENTRAL:	64.0	61.2	4.6	44.39	41.80	6.1
Des Moines	64.6	56.3	14.7	38.36	36.70	4.6
Indianapolis	63.7	59.7	6.7	44.79	42.80	4.7
Michigan	66.2	62.2	6.4	45.82	42.30	8.4
Detroit(SE)	73.5	67.6	8.7	45.67	42.80	6.7
Ohio	59.8	57.3	4.4	42.40	39.40	7.6
Cleveland	57.5	53.9	6.7	45.07	40.80	10.4
Cincinnati	54.8	56.4	-2.8	44.76	41.30	8.5
St. Louis	61.1	60.9	0.3	50.22	46.06	9.0
Twin Cities	67.3	63.0	6.8	49.35	47.18	4.6
SOUTH CENTRAL:	60.5	59.8	1.2	50.13	47.60	5.4
Dallas	64.1	58.6	9.4	52.19	49.40	5.6
Gulf Coast	57.9	58.6	-1.2	52.22	49.60	5.3
Houston	50.7	53.8	-5.8	50.03	49.80	0.5
New Orleans	65.5	61.8	5.9	71.15	63.37	12.3
San Antonio	71.6	69.9	2.4	42.26	43.08	5.1
Tulsa	50.7	53.8	-5.8	42.68	45.60	-6.4
WEST:	69.8	68.3	2.2	56.15	52.20	7.6
San Francisco Airport	76.2	73.8	3.3	61.11	58.10	5.2
San Diego	76.3	74.8	2.0	64.65	60.00	7.8
Oregon	58.7	57.3	2.4	43.79	41.40	5.8
Portland	62.7	60.9	3.0	47.44	44.30	7.2
Seattle	69.4	67.6	2.7	54.40	50.30	8.1

- INSUFFICIENT RESPONSE
* NOT AVAILABLE

YEAR-END OCCUPANCY RATES
TOTAL U.S.A.
1975 THROUGH 1984



NATIONAL OCCUPANCY RATES
TWELVE MONTH COMPARISON
JAN 1983 - DEC 1983
JAN 1984 - DEC 1984